

Presentation to:

# Washington Forestry Working Group

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**The Climate Trust**  
Solutions for a low carbon future

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# The Climate Trust...

*Solutions for a low carbon future*

- First regulation of carbon dioxide in the U.S., established in 1997
- Portfolio of high-quality GHG offset projects
  - 16 projects totaling 2.6 million metric tons
  - Nearly \$8.8 million in total funding





# Diverse, High Quality Offset Portfolio



Blended Cement



Rainforest Reforestation



Cogeneration



Energy Efficiency



Truck Stop  
Idle Reduction



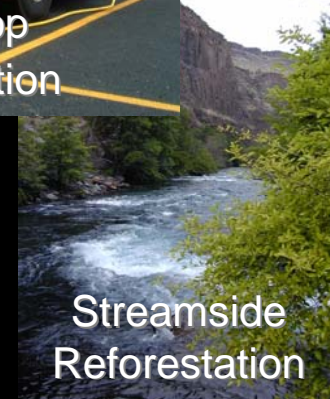
Wind



Traffic Signal  
Optimization



Industrial Efficiency



Streamside  
Reforestation



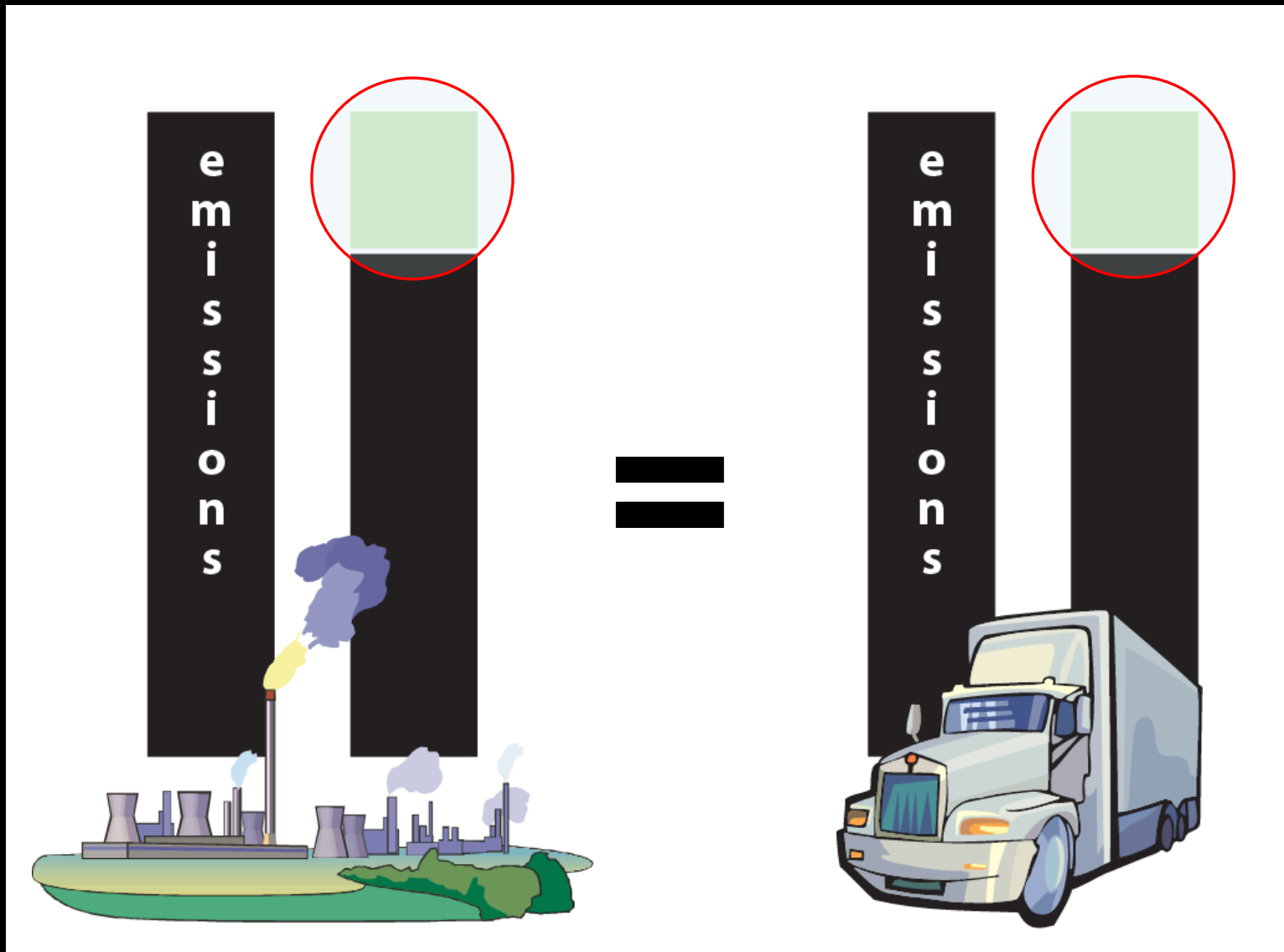
## Project-based Emission Reductions

- Wide variety of GHG reducing activities across all sectors of the economy
- Need multiple means of incentivizing reductions across all sectors

## GHG Offsets

- GHG reduction projects that meet specific set of requirements
- To date has been one of only means of driving GHG reductions

# GHG Offsets: What they promise



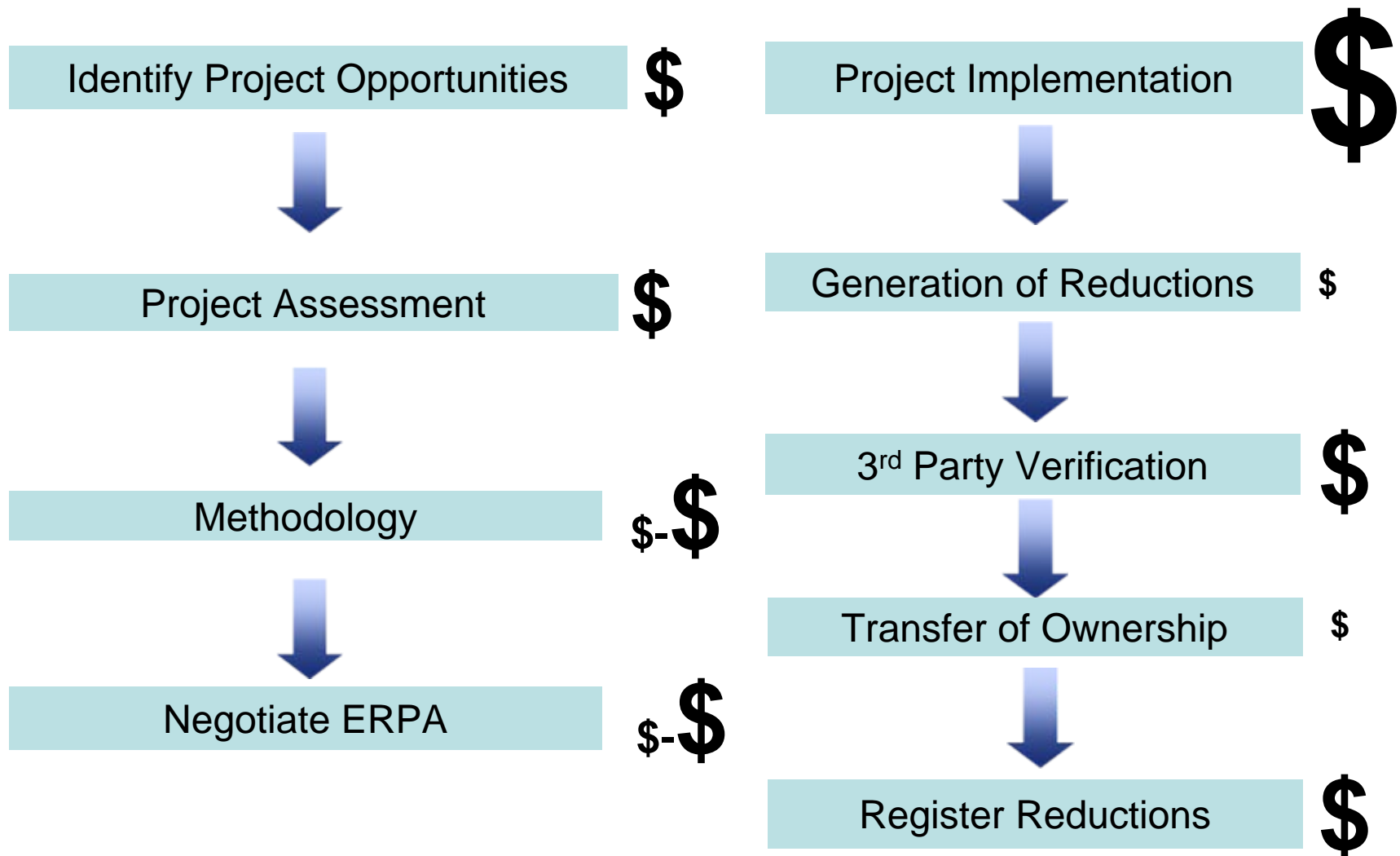


## Key GHG Offset Criteria

- Additionality
- Realistic Baselines
- Accurate Quantification
- Clear Ownership
- Ongoing Monitoring
- Independent Verification
- Registration and Retirement



# Establishing a GHG Offset Credit





# Additionality

## In theory

- Demonstrate that offset funding caused a GHG reduction project's implementation
- Very difficult to show

## In practice

- Use a series of tests that serve as proxies for theory:
  - Regulatory surplus
  - Financial analysis
  - Technological barriers
  - Institutional barriers
  - Not common practice





## Baselines and Quantification

- Must be established in order to quantify GHG reductions from an offset project
- Represent projected emission levels in the absence of the offset project (BAU case)
- The difference between the projected BAU case and the actual emissions of the project are credited as an offset
- Offsets are only as credible as their baselines



## Project-based GHG Emission Reduction Sectors

- Direct
- Indirect
- Sequestration



## Direct GHG Reductions and Offset Considerations

- Reducing emissions at their source
- Project types include:
  - Fuel switching/substitution
  - Idle reduction devices
  - Capture and destruction of methane

### Offset Considerations

- Generally easiest to quantify and monitor
- Clearest ownership





## Indirect GHG Reductions and Offset Considerations

- Emission reductions that occur offsite from the project activity
- Project types include:
  - Most energy efficiency
  - Renewable energy
  - Some material substitution (e.g. fly ash in concrete)

### Offset Considerations

- Difficult to establish clear ownership
- High potential for double counting in pre-regulatory contexts
- Some quantification challenges



# Sequestration and Offset Considerations

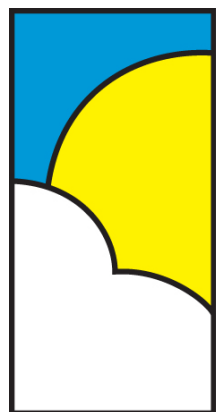
- Removing existing CO<sub>2</sub> from the atmosphere, or
- Permanently preventing CO<sub>2</sub> from being emitted
- Covers activities in forestry and agricultural sectors

## Offset Considerations

- Baseline establishment
- Permanence
- Additionality
- Leakage

# The Offset Quality Initiative

*A partnership promoting effective greenhouse gas offset policy*



The  
Climate  
Trust



**Greenhouse Gas  
Experts Network**

[www.ghgnetwork.org](http://www.ghgnetwork.org)



PEW CENTER  
ON

Global CLIMATE  
CHANGE



Thank You!

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